



**Connecticut
Light & Power**

The Northeast Utilities System



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**TESTIMONY OF RICHARD A. SODERMAN
THE CONNECTICUT LIGHT AND POWER COMPANY
and YANKEE GAS SERVICES COMPANY
Commerce & Energy & Technology Committee--March 17, 2009**

R.B. No. 1129 & 1130 AAC ENERGY AND THE STATE'S ECONOMY.

This proposed bill would stimulate development of in-state renewable energy technologies and would streamline opportunities for customers to participate in energy efficiency and renewable energy projects, create local jobs, infrastructure and energy independence, and effectively deploy federal stimulus funds. We support this bill as currently drafted.

Connecticut has set aggressive policy goals to attain maximum energy efficiency and renewable technologies. They include provisions to implement the maximum level of feasible energy efficiency, renewable portfolio standards, participation in the regional greenhouse gas initiative, contracts with project 150 renewable generating sources, reduction in electric loads by 20% by 2020, and substantial reductions in greenhouse gas emissions. In this session, we have seen proposed bills to encourage various pieces of a green strategy with various attributes, ranging from incentive levels to capacity goals. As this and other bills are considered, several policy questions need to be answered in order to determine the appropriateness of any vehicle for delivering these end results. For example:

- Efficiency and renewable programs all require funding from other customers. What limits are placed on those customer funding obligations?
- What is the method and extent of regulatory oversight?
- Are approval processes streamlined to rapidly approve projects that meet policy objectives?
- What are the risks involved, and how are they dealt with?



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R.B. 1129 (1130) as currently drafted provides rational answers to these policy questions. The proposed bill is designed to rapidly plan and deploy renewable and efficiency technologies in order to meet energy efficiency and renewable energy goals established by the State. The bill includes a grid-side "In-State Stimulus" provision that provides for a phased in approach to achieving 100 MWs of cost-based Class I renewables development by December 2011. Under this provision, electric distribution companies would be authorized to work in collaboration with local equipment manufacturers and craft workers, to install, own and operate grid-connected Class 1 renewables. A new Energy Innovation Council, made up of the DPUC, Institute for Sustainable Energy, the Clean Energy Fund and CT Center for Advanced Technology, would oversee the process. This approach should permit the state to have confidence that the costs of projects are appropriate, that they properly balance the benefits and burdens of individual projects, and that they result in an efficient use of customer funds.

For customer-side enhancements, the existing Electricity Efficiency Partner program would be streamlined, and the scope would be broadened to enable additional efficiency and renewable technologies to be deployed at customers' sites as well as participation by electric distribution companies. Electric distribution companies would study energy intensive customers and provide them with an opportunity to receive services from Electricity Efficiency Partners. Grant programs will recognize the economic and other (jobs, local investment, renewable) attributes of projects.

The bill provides for funding up to a level previously authorized in law (\$60 million per year in the systems benefits charge). While this represents a significant amount, many of the bills proposed this session to address Connecticut's energy policy goals have significantly higher cost impacts.



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This bill would provide several benefits, including:

- Creation or retention of jobs as a network of local, Connecticut vendors and contractors will be required to execute the program and different projects.
- Provision of cost-effective deployment of a significant array of renewable energy facilities using in-state products and services;
- Cost of service regulation of new renewable energy projects.
- State oversight of the level of funding with a preset annual cap and deployment of technologies advocated by Connecticut public policy pronouncements.

Therefore, we support this bill. Thank you for the opportunity to provide testimony on this bill.